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# A Man Left Out in the Cold:

By Nancy L. Ross

Four years ago blazing headlines announced China's top-ranking diplomat had defected to the West and requested political asylum in the United States.

Liao Ho-shu, 46, chargé d'affaires at the Chinese mission in The Hague, was reported at the time to head the Chinese spy network in Europe. His defection was considered the West's most important intelligence coup in years.

Moscow radio immediately dubbed him "Peking's James Bond." Taiwan cabled Washington it would give him a hero's welcome, Peking demanded his return, charging the U.S. had kidnapped him.

When we refused, the Chinese canceled the upcoming session of Sino-American ambassadorial talks in Warsaw, our only official channel of communication at that time. Secretary of State William P. Rogers expressed formal diplomatic "regret," and that was the end of contacts until January, 1970. The resumption eventually led first to Henry Kissinger's and eventually to President Nixon's visit a year ago to the People's Republic of China.

Two months before that historic trip, the White House received a letter from Liao Ho-shu. He wrote he could not get used to the American way of life, had "made a mistake" in defecting and asked permission to return to mainland China. The letter was turned over to the State Department for routine processing.

In May Liao was on his way home via the Chinese Embassy in Ottawa, Paris and Shanghai. This time there were no headlines. His departure remained unknown to the public at large until January of this year when a succinct wire dispatch from Hong Kong quoted a local magazine as saying he had returned to the PRC. He disappeared behind the Bamboo Curtain like a pebble in a pond.

What happened to make the defector redefect? Did Liao--an embarrassing reminder of the cold war--become a sacrificial lamb on the Nixon-Mao altar of peace and friendship? Was this man, the product of a totalitarian society, unable to cope with the unregimented life in a democracy?

Was he the pawn in the ideological match between resident Chinese here dedicated to Taiwan and those favoring the motherland? Or was he merely the casualty of extended exile--deprived of family and meaningful opportunity for career advancement, physically ill and mentally unbalanced?

Is it possible he was a double agent--or was he, in fact, no spy at all?

The following is an attempt to reconstruct the life of one Chinese defector in the United States, from the time he disappeared from the headlines until he reappeared for one last brief instant.

Since Liao left no known diary, his story derives from the comments of those few Americans and Chinese whose paths he crossed. Many of the former were reluctant to talk, either because of their involvement with the CIA or with mental hospitals and patients. Some of the latter gave conflicting accounts, depending—one suspects—on their

own political loyalties. The CIA at first refused comment, but later confirmed the essential elements of this portrait.

The story of intrigue and incipient insanity that is Liao Ho-shu's began in what is now Wuhan, a city in the central province of Hupei, where he was born in 1923. Little is known here of his formative years except that he studied economics at the University of Peking, was assigned to the

Foreign Ministry in 1951 and joined the Communist Party two years later.

He married a pediatrician and had two children. He went to The Hague in 1964. Consistent with P.R.C. practice at that time, his wife and children, then aged 4 and 9, were not allowed to accompany him. Liao remained there without returning home throughout the Cultural Revolution, whereas nearly all Chinese ambassadors were summoned home for reeducation.

In 1966 a sensational incident occurred at a Chinese legation building in The Hague. A visiting rocket technician, Hsu Tzu-tsai, was snatched from a hospital X-ray table, where he had been taken after either falling from a window trying to defect or after foul play. Liao later told the CIA he was one of the kidnappers. A day later the engineer died at the mission.

Peking's news agency said at the time Hsu had passed information to the Central Intelligence Agency in exchange for a promise of asylum. The Netherlands demanded the recall of the chargé d'affaires, Li En-chiu and another diplomat. Liao, who then became chargé and the highest ranking Chinese diplomat left in Europe, later learned his ex-colleagues were harshly and even physically attacked by the Red Guards when they returned to China.

Red Guard diplomats soon were sent to The Hague mission. The younger officials tried to take over his job, Liao told the CIA, accusing him of being a capitalist. "They told me it was bourgeois to raise flowers, that I should raise vegetables instead," Liao later recalled.

One day in late 1968 a Chinese ship arrived in Rotterdam. When his revolutionary colleagues suggested Liao send his baggage to the ship, he sensed he was about to be Shanghaied, the intelligence sources say. Fearing the same fate as his predecessors once back in Peking, he turned himself in to Dutch police headquarters on Jan. 24, 1969, at 4:30 a.m., wearing only pajamas and a raincoat.

Eluding the Chinese diplomats who were trying to find Liao, Dutch security officials turned him over to American authorities who promptly flew him to this country. The first official

word that he had arrived here came on Feb. 4 when State Department spokesman Robert McCloskey said that Liao's request for political asylum in the United States was "under consideration."

A few days later Peking's Foreign Ministry charged the U.S. and the Dutch governments with "deliberately engineering" Liao's escape and demanded the "traitor's" return. This marked the first time since the Korean war that the Chinese had issued a public protest against the defection of one of their officials. The outcry fueled the fires of suspicion here that Liao was indeed the chief of Chinese intelligence operations in Europe.

If Liao were not sent back, Peking warned of "grave consequences." These proved to be cancellation of the Sino-American talks, which were scheduled to resume Feb. 20 after being suspended for 13 months.

Peking accused Washington of "plotting" to send Liao to Taiwan "with a view to creating further anti-China incidents."

Of course, all was forgiven nearly a year later when the machinery was put in motion to end a quarter century of isolation between the two super powers. Clearly the Liao affair was a dead issue; the man Liao was not, however.

Though dubbed "Peking's James Bond" Liao certainly bore no physical or social resemblance to Ian Fleming's hero. Tall for a Chinese, he was thin, balding, and wore horn-rimmed glasses.

"He was the least outgoing person I've ever known," recalled Dr. Michael J. McCaskey, head of the Chinese-Japanese language department at Georgetown University. The two first met in August 1969 when a government official brought Liao around to work as a "casual laborer" (\$1.80 an hour) on a National Defense Language Institute project to revise basic Chinese language courses for the military.

Liao's existence for those months before he "surfaced" at the university in August, can be reconstructed only piecemeal. He almost never talked about his first months in this country and for a while even declined to let his colleagues know where he was living. (The university listed the department of Chinese as his mailing address) He went to elaborate pains to get off the Wisconsin Avenue bus a few blocks away from his apartment.

Though he habitually refused offers of a lit home, a driving rain once persuaded him to accept. Even then he insisted on getting out of the car before reaching his building and walked the rest of the way.

Come September he did list his address on university records as 2702 Wisconsin Ave., although he did not include the apartment number. The janitor at the Sherry Hall apartments, Willy Barnes, at first denied ever seeing the tall, lanky Chinese. Later, when told Liao's apartment number, 605, Barnes recalled the Chinese did indeed live in the one-bedroom unit—although he would copy in long hand elementary Chinese lessons, a monotonous mechanical task he performed with such grumbling he made it obvious he considered this work beneath him yet

Three or four other men with their keys used the apartment as well, he said, though he knew only one of them.

Apartment 605 was rented from April 1968 to January 1970 in the name of John F. Gionfriddo, the name Barnes recalled in connection with 605. Gionfriddo, a lawyer with an office on K Street and a home in Vienna, Va., signed the lease.

When asked in an interview about Liao and the apartment, he replied he had no knowledge of either. Still, he admitted it was possible his firm had rented the apartment, following its custom, for out-of-town guests "at times like the Cherry Blossom Festival."

A couple of days later, after checking his file, Gionfriddo found a slip of paper with the name of George Neagoy. Though he had no record of payment he thought he had sublet the apartment to Neagoy, whom he described as a one-time client for whom he thought he had drawn up a will. Neagoy told him he needed the apartment for out-of-town relatives.

Neagoy, who lives in Chevy Chase, is an employee of the CIA.

The two apartments adjoining 605 were at that time rented to a Soviet diplomat and a Defense Department intelligence officer, causing a rental agent for the Sherry Hall Apartments to joke, "One-half of the building was foreigners and the other half, the CIA watching them."

Interrogation led the CIA, at least, to conclude that Liao was no master spy, simply a middle echelon diplomat. It is unresolved whether even so he was able to supply U.S. authorities with any worthwhile information.

Why then had some people thought he was a spy in the first place? For one thing, the climate of mutual suspicion and hostility coupled with a dearth of knowledge of events inside China sufficed to make the intelligence community jump at anything when defectors were as scarce as dragons' teeth. For another, a Chinese diplomat of lesser rank than Liao, who defected from the embassy in Damascus in 1966, had told Washington that Peking was anxious to avoid becoming directly entangled in the Vietnam war.

Of all those questioned about Liao, not one in retrospect thought he could have been a master spy. "His general indecisiveness made him unsuited for positions of high command and his liberal-minded openness made him unsuited for political intrigue," commented one of his closest American acquaintances. Still, the idea that the CIA even suspected he was a high-ranking agent, said a Chinese friend, was one reason Liao disliked America.

Having finished its questioning, the U.S. government began the process of disenchantment. The defector was given a monthly allowance, believed to be \$300, a permanent resident's visa, a Social Security card and a job.

Liao's job at Georgetown was to

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copy in long hand elementary Chinese lessons, a monotonous mechanical task he performed with such grumbling he made it obvious he considered this work beneath him yet

"He wanted everything all at once," recalled Dr. McCaskey, "but didn't know how to do anything. His knowledge of economics was outdated. He wanted to make a career for himself—anything but diplomacy because he was tired of governments. He kept mentioning he had gone to talk to 'the representative of the U.S. government' (Neagoy) about a permanent job. But nothing ever came of it."

Had the CIA indeed led him to believe it would furnish him a good position as a reward for defection and information and then defaulted when he proved uninteresting?

The CIA denied any "deal" with Liao, but told him it was legally responsible for his welfare while he was an alien in the U.S.A.

"I believe he saw himself in the role of Confucian sage, rejected by an emperor who has lost the Mandate of Heaven," wrote Dr. D. Graham Stuart, a Georgetown University professor of linguistics now on sabbatical in Holland.

At Dr. Stuart's urging Liao enrolled in September 1969 in the university's School of Languages and Linguistics as a candidate for an M.A. in Chinese. However, due to his poor command of English, Liao was unable to complete the required courses in phonetics and phonemics given in that language. He tried the course at least twice more, withdrawing each time after a few weeks. He abandoned his effort finally in February 1970.

Meanwhile he had enrolled the previous month in a 10-week course in the school's English as a Foreign Language division, intermediate level. He received a B plus in the course, the only one he ever finished. In April he returned to his dull copying job, remaining through September. He refused a modest raise to \$3 an hour, calling himself unworthy of it, yet retained a certain arrogance about his expectations.

His primary concern throughout that period continued to be finding a good job. This led him several times to the brink of accepting employment offered by the Nationalist Chinese. Besides work, he was also seeking a new wife and asked Chinese acquaintances if anyone in Taiwan would marry him if he went there. "He was very lonely," said McCaskey, "although he never wanted to meet any women here."

From the moment he set foot in this country, the Taiwan government had tried to recruit him. In the Chinese lexicon, a defector from Communism is presumed friendly to the Chiang Kai-shek regime. Ku Cheng-kang—the man in Taipei in charge of defectors, or as he is officially titled, president of the Free China Relief Association—sent a cable to the Chinese Embassy in Washington inviting Liao to visit Taiwan. Pressure was put on then-Ambassador Chow Shu-kai, now Taipei's Minister without Portfolio, to influence Liao, who was open to the idea.

Approved For Release 2002/06/18 : CIA-RDP75-00793R000100400012-2 after the CIA interrogation was over, Liao and

Chow finally met. The meeting was arranged through Chang Yeh-cheng, a junior high school classmate of Liao's and now assistant manager of the (Nationalist) Chinese Information Service in New York. Another college friend of Liao's, a former Washington correspondent for a Taiwan paper, Wang Yu-hsu, now studying at Georgetown, also tried to help Liao decide whether to go to Taiwan.

According to them, Liao attended a National Day reception and several banquets at the embassy—where Wang's wife works—and had "intimate and friendly conversations" with Ambassador Chow. Liao was offered a \$500 a month "sweatshop" job with the Chinese Merchants Association, a shipping company in New York's Chinatown that is owned by the Republic of China.

One of the conditions was that he would first have to visit Taiwan. Wang prepared to accompany Liao to Taipei, but at the last minute Liao balked. This was to happen several times until the embarrassed Nationalists gave up on luring Liao, intelligence sources said.

The reasons for his refusal were never clear. Once, for example, he declined at the last moment to sign the regulation Internal Revenue Service form stating he, an alien, had paid his taxes in full. Because the statement is commonly known as a "sailing form," Liao refused to sign, lest he be "shipped" out instead of being sent by plane. A week of explanation failed to convince him.

Then, too, Liao must have known that if he went to Taiwan, it would rule out any remaining chance of returning to the mainland, home and family, given the enmity between the two Chinas at that time.

According to Henry Liu, a Chinese journalist in the Washington area, who wrote under a pseudonym the article on Liao for the Hong Kong magazine North-South Pole, Ambassador Chow gave Liao three guarantees in exchange for agreeing to visit Taiwan: (1) he could return to the United States of his own free will; (2) the Republic of China would support him financially; and (3) they would not use him as a propaganda tool.

Liu points out that Liao must have been aware that two previous defectors, famed violinist Ma Sitson and diplomat Chen Pai, had also agreed to such a deal. But when their plane arrived in Tokyo airport, Taipei put out a statement on their behalf without consulting them.

And others say Liao, as usual, was just unable to make a decision. Chinese, or to his loneliness and inability to cope with a strange environment, or to his ingrained habits as a long-time Communist, Liao became extremely suspicious and distrustful of everyone. He thought everyone worked for the Chinese government—American, mainland or Taiwan—and seemed a little disappointed to find out his Georgetown colleagues were just ordinary people, McCaskey said.

Once Liao received a piece of radical student literature urging participation in a political demonstration. "I had the

hardest time trying to convince him and I tried to do it for him," McCaskey remembered, "that democratic process persuaded Liao for the first time that not everyone was involved in a conspiracy against him. He even asked upon leaving D.C. General if he would be allowed to return if he wished."

Liao imagined colleagues joking about him. He was disturbed by police sirens during his nights of insomnia. A televised broadcast of July 4 fireworks sent him panic stricken into the street, sure someone was shooting at him. He hailed a taxi and drove around for hours, even going to Dulles Airport with some vague idea of fleeing, before he calmed down and returned home at 3 a.m.

Passionately secretive, he refused all publicity. He continually looked over his shoulder as he walked in the park, convinced someone was following him. Indeed, he was under surveillance, perhaps out of humanitarian more than political reasons. The CIA kept an eye on Liao even after he moved from Wisconsin Avenue to his own tiny efficiency apartment at 1717 R St. NW in early 1970.

Though he had made a few friends in the American and Chinese communities early in the game, he began to turn them away. "Don't bother me," he shouted at colleagues who offered to visit. He had only one regular Chinese male visitor, Wang, and, of course, Neagoy.

In the past he occasionally went to restaurants. Now he would accept invitations to have a northern Chinese dinner—he disliked American food except for milk—at friends' homes, and then not show up. He preferred to eat out of moldy cans, alone.

In the fall of 1970 Liao began to neglect his appearance badly. He fancied his food was poisoned. He became emaciated, stooped, his teeth abscessed, and he refused to have a sty treated. "It was almost like someone going through a religious crisis, doing penance by fasting and abstinence. By the strictest ethical conduct, he distanced himself from common men who are less righteous, less literally truthful," a Georgetown mentor concluded.

Alarmed he would let himself die of starvation or would commit suicide, Liao's CIA contact took him to a psychiatrist. He was sent to the psychiatric ward of the Washington Hospital Center Nov. 18, 1970, and three weeks later transferred to D.C. General's ward.

The psychiatrist, who asked his name not be used because of his connection with the CIA, diagnosed "as severe a case of depression as you would want to see. I've seen a lot of schizoids like that; they can't talk to people and feel alone in a hostile world."

One sign of his illness, the doctor said, was his refusal to doff his overcoat while indoors.

The doctor was unable to find out anything about Liao's past, but said it was conceivable he had had such a breakdown before.

In accordance with medico-legal procedure, a hearing to commit him was held Jan. 25, 1971. Many Chinese-American friends testified on Liao's behalf. They helped when the patient was discharged Feb. 11 by doctors who found him "improv-

ed." Caskey remembered, "that democratic process persuaded Liao for the first time that not everyone was involved in a conspiracy against him. He even asked upon leaving D.C. General if he would be allowed to return if he wished."

Liao went to live in a halfway house on Connecticut Avenue for discharged psychiatric patients. Though he lived there until October of that year he remained generally uncommunicative with the other residents. He did not like eating with them. And although the kitchen is open 24 hours a day, he did not feed himself either, because he disdained a house rule requiring a person to clean up after himself.

During that period he worked on special projects for Georgetown's Dr. Stuart. His task consisted largely of running down references in scientific journals on linguistics problems, although he also did some independent research.

"While working for me he gathered more than 800 separate reference items in six different languages from a score or so different libraries," wrote Dr. Stuart. "I paid him the going rate for student help . . . Although he rapidly made himself indispensable to me in my work, he was constantly suspicious that I was really only making work for him. He resigned saying that he could not take money for doing tasks that any 14-year-old boy could do."

The halfway house frowns on residents without jobs, and besides, Liao was not happy there. Determined not to accept what he considered charity, Liao moved in October, 1971 to an \$18-a-week boarding house at 927 Massachusetts Ave. NW, the edge of Washington's Chinatown. The grim old brownstone, curtains hung between its once magnificent dark woodwork doors to give a modicum of privacy, reeks of stale food and downtrodden humanity. Liao was so furtive, it was two months before the CIA caught up with him there.

The managers, several generations of the Lee Yow family, chatted excitedly when told about the exotic past of their boarder. He never talked to anyone, except to say hello to the children, they said. His only visitor was the director of the halfway house who came twice.

He had no job, yet seemed to be doing "some texts for an embassy" on his battered typewriter. He went out every afternoon for a walk. One day in May he left without saying goodbye . . . or taking his meager belongings.

continued

This marked the resolution of the Liao story, the final phase of which began in December 1971. He was at the bottom of a downward spiral, forsaker he thought by the U.S. government and the Nationalist Chinese, alienated from his few friends, unable to get a decent job, separated without news of his family in Peking, of no use to anyone. His thoughts turned to home.

That dark winter he composed a letter to President Nixon. In it he expressed his gratitude, but said he just could not get used to the American way of life or learn enough English. He wrote, "I love my country," and asked for permission to return to the People's Republic of China. He admitted he had made a mistake in defecting and wanted to correct it although he knew that if he went back he would go on trial for treason. He also expressed fear of dying far from his motherland.

The letter was turned over to the State Department which told Liao he was free to return to China. "No one tried to dissuade him," a spokesman recalled. Still Liao hesitated. "He seemed to be asking us to deport him. He wanted us to contact the (Communist) Chinese for him. We told him to contact the embassy in Ottawa."

In February 1972 Liao wrote to U.N. Ambassador Huang Ha in New York, signifying his desire to return. Peking took its time deciding what to do with the defector who wanted to come home. Finally, permission granted, Liao flew to Ottawa in May, then on to Shanghai. Stopping in Paris en route, Liao penned post cards to the boarding house family and a few other friends, telling them he was on his way to China.

That was the first his acquaintances here knew of his decision to return—and the last they ever heard of him. "It was always in the back of my mind he was playing a double game," McCaskey mused. "But if he did, it was the most fantastic game I've ever seen." There were no headlines in either the Chinese or American press. "We weren't going to publicize it," said the State Department official. "It could have been misconstrued as a deal whereby we forced him to go back."

In the end Liao Ho-shui was a victim of cultural shock in America as well as the Cultural Revolution in China.

His isolation left him mentally broken. His only sense of importance derived from the attention paid him by "the representative of the U.S. Government." The irony of this is that—whatever the CIA first thought—Liao was not the superspy of the headlines—but in all likelihood a small fish left stranded on the shoals of international politics.

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WASHINGTON POST  
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21 JAN 1973

## Chinese Diplomat Who Defected Reported to Return Voluntarily

HONG KONG, Jan. 20 (UPI) — A Chinese diplomat who defected to the West in 1969 has returned to China at his own request, the Hong Kong Standard said today.

The Standard quoted a Chinese magazine, the North South Pole, as saying that Liao Ho-Shu, 50, charge d'affaires in The Hague when he sought asylum in the U.S. em-

bassy there Jan. 24, 1969, had returned to China last April.

The Chinese magazine was quoted as saying Liao asked to be returned because "he could

said, Liao wrote to the Chinese ambassador at the United Nations, Huang Hua, asking to be repatriated. He was flown to Paris and then to Shanghai, according to the magazine's account.

[He got a job in the Chinese department of Georgetown University in Washington, but the newspaper said he left Georgetown when the project he was working on was com-

pleted. Later he spent some time in a psychiatric hospital near Washington suffering from severe insomnia, the re-

[The sources said Liao is understood to have been repatriated through the Chinese embassy in Ottawa on his own initiative.]